

AS

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 97-445-C – ORDER NO. 98-19

JANUARY 13, 1998

IN RE: Application of Frontier Telemanagement,)	ORDER
Inc. for a Certificate of Public Convenience and)	GRANTING
Necessity to Provide Resold Local Exchange)	APPLICATION
Telecommunications Services within the)	TO PROVIDE
State of South Carolina.)	LOCAL SERVICE

This matter comes before the Public Service Commission of South Carolina ("the Commission") by way of the Application of FTI Telemanagement, Inc. ("FTI" or "the Company") for authority to provide Local Exchange Service within the State of South Carolina and by way of the Company's Motion for Expedited Review of Application. The Applicant requests authority to provide local exchange service within South Carolina. The Application was filed pursuant to S.C. Code Ann. § 58-9-280 and the Regulations of the Commission.

By letter, the Commission's Executive Director instructed FTI to publish, one time, a prepared Notice of Filing in newspapers of general circulation in the areas affected by the Application. The purpose of the Notice of Filing was to inform interested parties of the manner and time in which to file the appropriate pleadings for participation in the proceedings. FTI complied with this instruction and provided the Commission with proof of publication of the Notice of Filing.

A Petition to Intervene was received from the South Carolina Telephone Coalition ("SCTC"). On November 18, 1997, Counsel for SCTC filed with the Commission a Stipulation in which FTI stipulated that it would only seek authority in non-rural local exchange ("LEC") service areas of South Carolina and that it would not provide any local service to any customer located in a rural incumbent's service area, unless and until FTI provided written notice of its intent prior to the date of the intended service. FTI also stipulated that it was not asking the Commission to make a finding at this time regarding whether competition is in the public interest for rural areas. FTI agreed to abide by all State and Federal laws and to participate to the extent it may be required to do so by the Commission in support of universally available telephone service at affordable rates. The SCTC withdrew its opposition to the granting of a statewide Certificate of Public Convenience and Necessity to FTI provided the conditions contained in the Stipulation are met. The Stipulation is approved and attached as Order Exhibit 1.

In support of its Application, FTI submitted the verified testimony of Michael J. Nighan, Director of Regulatory Affairs of FTI. The purpose of Nighan's testimony was to explain the local exchange services FTI proposes to offer in South Carolina and to review FTI's qualifications to provide such services.

DISCUSSION

S.C. Code Ann. § 58-9-280 (Supp. 1997) provides that the Commission may grant a certificate to operate as a telephone utility...to applicants proposing to furnish local telephone service in the service territory of an incumbent LEC.

After full consideration of the applicable law, FTI's application, the Motion for Expedited Review of the Application, and evidence submitted by FTI, the Commission finds and concludes that the Certificate sought by FTI should be granted. The Commission's determination is based on the following criteria as provided in S.C. Code Ann. § 58-9-280 (Supp. 1997) and the evidence submitted in support of the motion which relates to that criteria:

1. The Commission finds that FTI possesses the technical, financial, and managerial resources sufficient to provide the services requested. S.C. Code Ann. § 58-9-280(B)(1) (Supp. 1997). Mr. Nighan's testimony indicated that FTI is wholly owned subsidiary of Frontier Corporation. The testimony reveals that Frontier Corporation has provided quality local, long distance and cellular telecommunications services to over two million customers throughout the country and has a proven track record for providing high quality services and responsive customer services. According to Mr. Nighan, FTI possess all the necessary capabilities to operate as a provider of resold services and unbundled elements. Regarding FTI's financial resources, Nighan's testimony indicated that FTI is financially well qualified to provide telecommunications services in South Carolina. Based on the undisputed testimony of Nighan, the Commission finds that FTI possess the technical, financial, and managerial resources sufficient to provide the services requested.

2. The Commission finds that FTI will provide services which will meet the service standards of the Commission. S.C. Code Ann. § 58-9-280(B) (Supp. 1997). Mr. Nighan's testimony indicated that FTI seeks to provide intrastate local exchange services. Mr. Nighan indicated that FTI will comply with all applicable rules, policies and statutes

applicable to the offering of those services. Based on the undisputed testimony of Nighan, the Commission believes, and so finds, that FTI will provide telecommunications services that will meet the service standards of the Commission.

3. The Commission finds that FTI's "provision of service will not adversely impact the availability of affordable local exchange service." S.C. Code Ann. § 58-9-280(B)(3) (Supp. 1997). Nighan's testimony reveals that FTI believes that approval of its Application will further the public interest by expanding the availability of alternative sources of local services in South Carolina by providing customers with new options for their local service needs. Therefore, based on the undisputed evidence of record, the Commission finds that provision of local exchange services by FTI will not adversely impact affordable local exchange service.

4. The Commission finds that FTI will support universally available telephone service at affordable rates. S.C. Code Ann. § 58-9-280(B)(4) (Supp. 1997). FTI agreed in the Stipulation with the SCTC to participate in the support of universally available telephone service at affordable rates as required by State and Federal laws and as required by the Commission's Rules and Regulations. Based on the undisputed evidence of record, the Commission finds that FTI will participate in support of universally available telephone service at affordable rates.

5. The Commission finds that the provision of local exchange service by FTI "does not otherwise adversely impact the public interest." S.C. Code Ann. § 58-9-280(B)(5) (Supp. 1997). Nighan offered testimony that the approval of FTI's application will benefit South Carolina customers by expanding their options for their local service needs. Further,

Mr. Nighan stated that the presence of FTI in the market will increase the level of local and long distance competition in South Carolina as well as expand subscriber awareness of options and services available. Therefore, the Commission finds that approval of FTI's Application to provide local exchange service "does not otherwise adversely impact the public interest." S.C. Code Ann. § 58-9-280(B)(5) (Supp. 1997).

Therefore, based on the findings above, the Commission finds and concludes that a Certificate of Public Convenience and Necessity should be granted to FTI.

By its Application, FTI requested a waiver from maintaining its books and records under the Uniform System of Accounts. FTI asserts that it maintains its books and records according to General Accepted Accounting Principles ("GAAP") and that the Commission will be able to obtain any information necessary to evaluate FTI's performance under GAAP. FTI further offers that a waiver of the requirement that books maintained under the Uniform System of Accounts will allow FTI to avoid maintaining two sets of books. FTI also requested a waiver of the requirement of publishing a directory and states that it will arrange for its customers to be published in the LEC directory. Finally, FTI seeks exemption from any report not applicable to a resale local provider. FTI offers that as a reseller, FTI will not construct facilities or have direct control over physical facilities and therefore requests exemption from any report not applicable to a resale local provider.

IT IS THEREFORE ORDERED THAT:

1. The Application of FTI for a Certificate of Public Convenience and Necessity to provide competitive intrastate local exchange services in the non-rural local exchange service areas is approved. FTI is hereby authorized to provide competitive local

exchange services in these areas in South Carolina. The terms of the Stipulation between FTI and SCTC are approved, and adopted as a portion of this Order. Any proposal to provide such service to rural service areas is subject to the terms of the Stipulation.

2. FTI shall file, prior to offering local exchange service in South Carolina, a final tariff of its service offerings, conforming to all matters discussed with the Staff and comporting with South Carolina law in all matters.

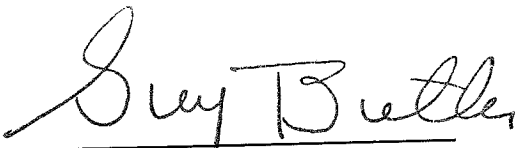
3. FTI shall, in compliance with Commission regulations, designate and maintain an authorized utility representative who is prepared to discuss, on a regulatory level, customer relation (complaint) matters, engineering operations, and tests and repairs. In addition, FTI shall provide to the Commission in writing the name of the authorized representative to be contacted in connection with general management duties as well as emergencies which occur during non-office hours. FTI shall file with the Commission the names, addresses, and telephone numbers of those representatives within thirty (30) days of receipt of this Order. (Attachment A shall be utilized for the provision of this information to the Commission.) Further, FTI shall promptly notify the Commission in writing if the representatives are replaced.

4. By its Application, FTI requested waivers of certain Commission Regulations. FTI requested a waiver from the Uniform System of Accounts, directory publishing, and certain reporting requirements not applicable to a resale local provider. The Commission grants waivers for these three areas. However, FTI is directed to comply with all other Commission regulations unless expressly waived by the Commission.

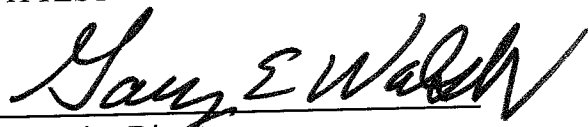
5. FTI shall conduct its business in compliance with Commission decisions and Orders, both past and future, including but not limited to, any and all Commission decisions which may be rendered in Docket No. 96-018-C regarding local competition.

6. This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:


Chairman

ATTEST:


Deputy Executive Director

(SEAL)

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ATTACHMENT A

INFORMATION OF THE AUTHORIZED UTILITY REPRESENTATIVES
FOR INTEREXCHANGE, LOCAL AND AOS COMPANIES

PURSUANT TO SOUTH CAROLINA PUBLIC SERVICE COMMISSION
REGULATION 103-612.2.4(b), each utility shall file and
maintain with the Commission the name, title, address, and
telephone number of the persons who should be contacted in
connection with Customer Relations/Complaints.

Company Name/DBA Name

Business Address

City, State, Zip Code

Authorized Utility Representative (Please Print or Type)

Telephone Number

Fax Number

E-Mail Address

This form was completed by

Signature

If you have any questions, contact the Consumer Services
Department at 803-737-5230

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OF
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Docket No. 97-445-C

Re: Application of Frontier Telemanagement, Inc.)	
for a Certificate of Public Convenience and)	
Necessity to Provide Local Exchange)	
Telecommunications Services in South Carolina)	
)	
)	

STIPULATION

The South Carolina Telephone Coalition ("SCTC") and Frontier Telemanagement, Inc. ("Frontier") hereby enter into the following stipulations. As a consequence of these stipulations and conditions, the necessity for SCTC's intervention in this matter is avoided and SCTC withdraws its opposition to Frontier's Application. SCTC and Frontier stipulate and agree as follows:

1. SCTC does not oppose the granting of a statewide Certificate of Public Convenience and Necessity to Frontier, provided the South Carolina Public Service Commission ("Commission") makes the necessary findings to justify granting of such a certificate, and provided the conditions contained within this stipulation are met.
2. Frontier stipulates and agrees that any Certificate which may be granted will authorize Frontier to provide service only to customers located in non-rural local exchange company ("LEC") service areas of South Carolina, except as provided herein.
3. Frontier stipulates that it is not asking the Commission to make a finding at this time regarding whether competition is in the public interest for rural areas.
4. Frontier stipulates and agrees that it will not provide any local service, by its own facilities or otherwise, to any customer located in a rural incumbent LEC's service area,

unless and until Frontier provides such rural incumbent LEC and the Commission with written notice of its intent to do so at least thirty (30) days prior to the date of the intended service. During such notice period, the rural incumbent LEC will have the opportunity to petition the Commission to exercise all rights afforded it under Federal and State law. Also, Frontier acknowledges that the Commission may suspend the intended date for service in rural LEC territory for ninety (90) days while the Commission conducts any proceeding incident to the Petition or upon the Commission's own Motion, provided that the Commission can further suspend the implementation date upon showing of good cause.

5. Frontier stipulates and agrees that if, after Frontier gives notice that it intends to serve a customer located in a rural incumbent LEC's service area, the Commission receives a Petition from the rural incumbent LEC to exercise its rights under Federal or State law, or the Commission institutes a proceeding of its own, then Frontier will not provide service to any customer located within the service area in question without prior and further Commission approval.

6. Frontier acknowledges that any right which it may have or acquire to serve a rural telephone company service area in South Carolina is subject to the conditions contained herein, and to any future policies, procedures, and guidelines relevant to such proposed service which the Commission may implement, so long as such policies, procedures, and guidelines do not conflict with Federal or State law.

7. The parties stipulate and agree that all rights under Federal and State law are reserved to the rural incumbent LECs, and this Stipulation in no way suspends or adversely affects such rights, including any exemptions, suspensions, or modifications to which they may be entitled.

8. Frontier agrees to abide by all State and Federal laws and to participate, to the extent it may be required to do so by the Commission, in the support of universally available telephone service at affordable rates.

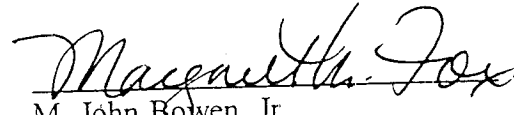
9. Frontier hereby amends its application and its prefiled testimony in this docket to the extent necessary to conform with this Stipulation.

AGREED AND STIPULATED to this 17th day of Nov., 1997.

Frontier Telemanagement, Inc.



South Carolina Telephone Coalition:



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